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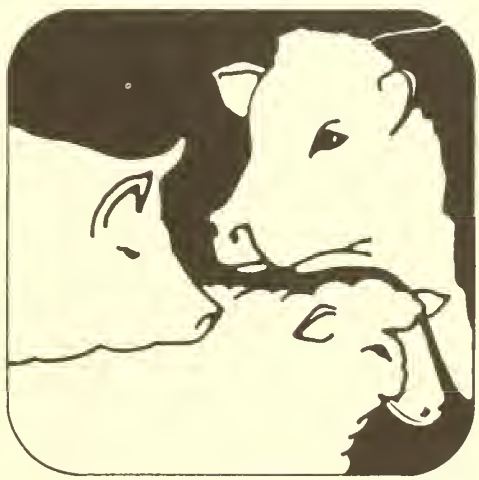
AUGUST 1973

LIVESTOCK AND MEAT Situation



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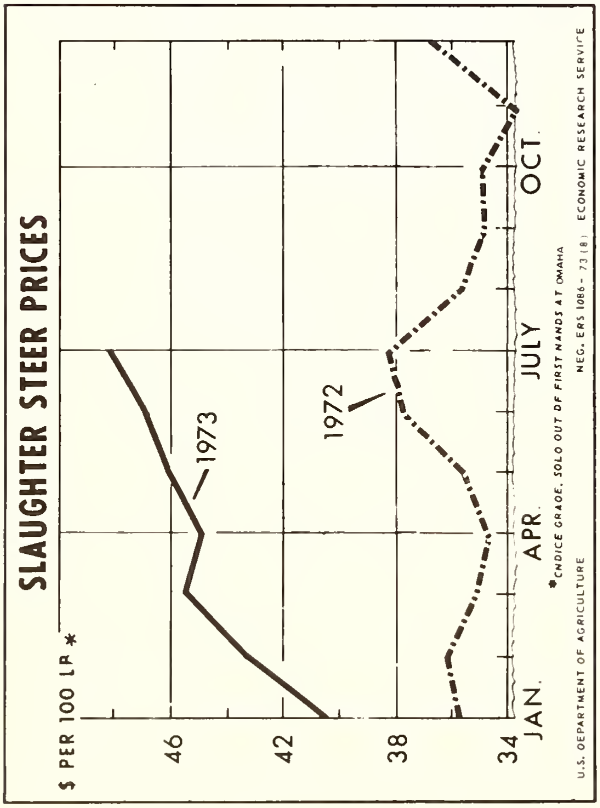
SLAUGHTER STEER PRICES
$ PER 100 LB.*
46
42
38
34
JAN.
APR.
JULY
OCT.
1973
1972
*CHOICE GRADE, SOLD OUT OF FIRST HANDS AT OMAHA
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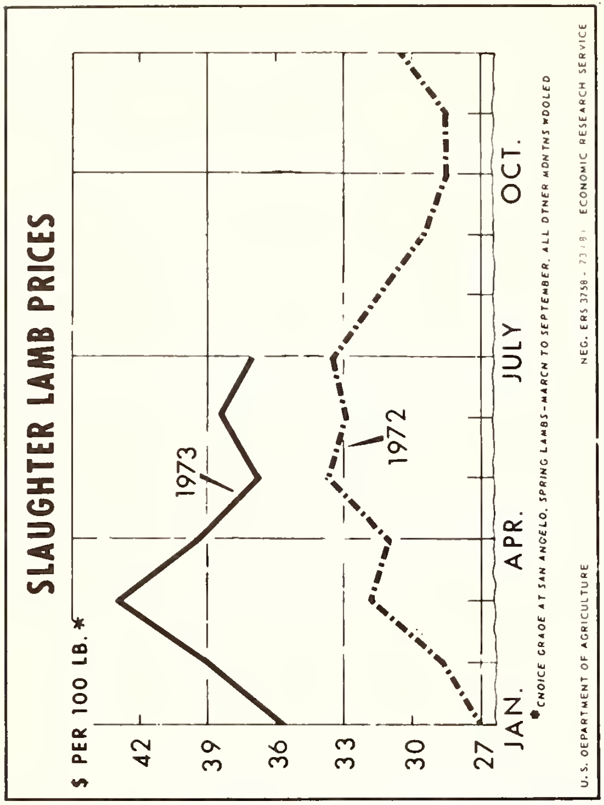
SLAUGHTER LAMB PRICES
$ PER 100 LB.*
42
39
36
33
30
27
JAN.
APR.
JULY
OCT.
1973
1972
*CHOICE GRADE AT SAN ANGELO, SPRING LAMBS-MARCH TO SEPTEMBER, ALL OTHER MONTHS WOOLED
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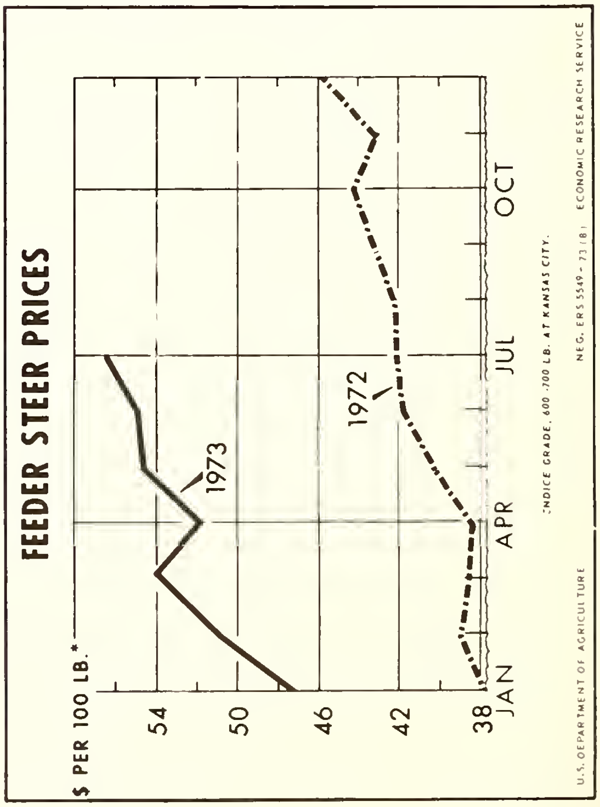
FEEDER STEER PRICES
$ PER 100 LB.*
54
50
46
42
38
JAN
APR
JUL
OCT
1973
1972
*CHOICE GRADE, 600-700 LB. AT KANSAS CITY.
U.S. DEPARTMENT OF AGRICULTURE
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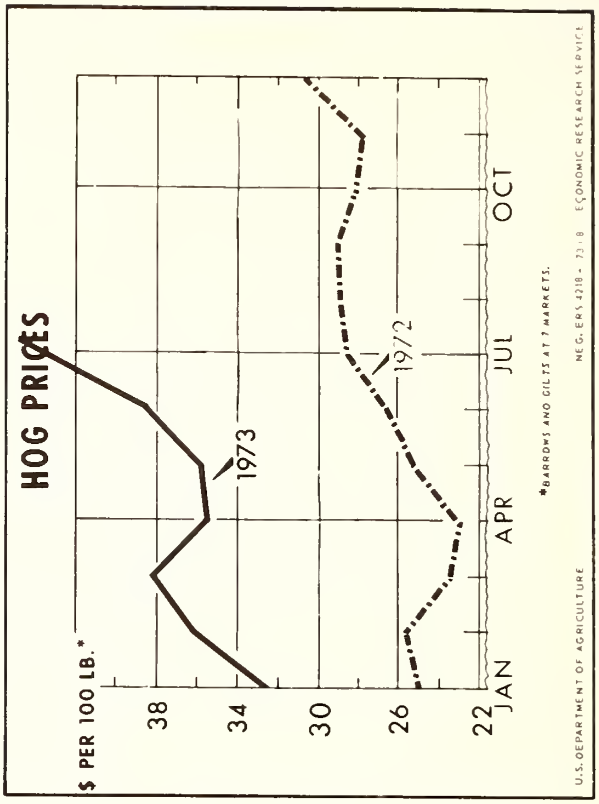
HOG PRICES
$ PER 100 LB.*
38
34
30
26
22
JAN
APR
JUL
OCT
1973
1972
*BARROWS AND GILTS AT 7 MARKETS.
U.S. DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE

LIVESTOCK AND MEAT SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
July 30, 1973

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SUMMARY

Red meat supplies in the second half of 1973 will approach a year earlier. Beef output will be down a little but pork production will approximate July-December 1972 levels. Veal and lamb and mutton output will be down sharply. Larger beef imports will not be enough to offset reduced domestic supplies. Strong consumer demand and smaller supplies will keep livestock prices high.

Rising feed costs, severe weather and its effect on weight gains, the consumer boycott, and a price freeze on red meats this spring have significantly altered earlier expectations for larger meat supplies during July-December 1973. The spring pig crop was down from earlier expectations and spring placements of feeder cattle were off sharply. Restricted supplies of slaughter cattle and hogs in the spring pushed prices hard against retail ceilings and substantially above a year earlier.

Even though fed cattle slaughter may rise, total beef output in the second half will be less than a year earlier because of the negligible number of non-fed animals going to slaughter. Fed cattle marketings could be up a little from year-earlier levels, and larger than in the first half, with the increase coming in the fourth quarter. On July 1 there were 2 percent more cattle on feed than a year earlier. Cattle feeders, prior to July 18's announced extension of the retail beef price freeze until September 12, planned to ship about the same number of cattle in the third quarter as a year earlier. This would have been a 9 percent increase over shipments in the second quarter. On July 1 there were 4 percent more cattle on feed in 23 major feeding States in weight groups that typically provide the bulk of fourth quarter marketings.

Fed cattle prices rose through most of the first half, reaching $47 per 100 pounds for Choice steers at Omaha in early June. Prices were strong in July, pressing hard against retail ceiling levels. Because of the extension of the price ceiling to September 12, there will be some backup in feedlots as some cattle feeders delay shipments. Thus, a drop in summer marketings from a year earlier can be expected, with a bulge in marketings later. Fed cattle prices may surge upward after the ceiling is lifted but may fall back some as marketing inbalances are worked out.

With 11 percent fewer cattle placed on feed in the second quarter, and marketings in the first half down 2 percent, the feeder cattle supply at midyear was up from a year earlier and large enough to support large placements in the second half and into 1974. This year's beef calf crop is estimated to be up about 6 percent, the sharpest rise in 9 years, pointing to an increase in the 1974 feeder cattle supply.

Cow slaughter was up a little in the first half largely because of heavier culling of dairy cows. Although there are more cows on farms and ranches this year, higher feeder cattle prices and prospects for generally good range and pasture feed conditions this summer and fall will probably hold culling rates down, so second half cow slaughter probably will be little if any larger than a year earlier. However, continued high cow prices this summer and fall may encourage the selling of marginal cows.

Cow prices rose sharply in the winter, reaching $36 per 100 pounds for Utility grade cows in Omaha in March. Prices slipped during the spring and are currently over $35, but still up $9 from a year ago. A higher level of beef imports will exert some downward pressure on the cow market, but demand for processing beef will continue strong. Prices will continue well above last year.

Second half hog slaughter is expected to be down slightly from last year, but a higher yield of pork per hog will hold output near July-December 1972 levels. Slaughter was down 9 percent in the first half and prices were up 45 percent. There were slightly fewer market hogs and pigs on farms on June 1. These pigs will provide most of the second half slaughter supply.

Pork producers planned on June 1 to have about the same number of sows farrow in the second half as a year earlier. However, numerous reports suggest farmers shipped an unusual number of bred sows and gilts to slaughter in June. If these reports are accurate, the fall crop may be down a little. This would mean first half 1974 slaughter would be a little smaller than January-June this year.

With restricted slaughter supplies in the spring, barrow and gilt prices rose from $34 per 100 pounds in early May to a $42 average the second week in July. Since the lifting of the retail price ceiling for pork on July 18, weekly prices have exceeded $50, topping the fed cattle market by $2. After the beef price ceiling is removed, and following the initial reaction to the removal, hog prices may resume a more normal relationship to cattle prices.

The 1973 lamb crop is 9 percent smaller than the 1972 crop. Lamb slaughter was down 9 percent in the first half of 1973 and probably will be more than 15 percent below a year earlier this summer and fall.

Prices in March reached $45.25 per 100 pounds for Choice spring lambs at San Angelo. This was record high and $13 above a year earlier. Prices dropped to $35.25 in May but were $37.50 in July. A smaller supply of slaughter lambs and exceptionally high cattle and hog prices may pull slaughter lamb prices above early summer levels through the rest of the year.

SITUATION AND OUTLOOK

CATTLE

An unexpected reduction in red meat supplies, coupled with unprecedented consumer demand, resulted in sharply higher cattle prices in the first half of 1973. Beef production was down 5 percent and pork output was off 6 percent. A 5 percent rise in beef imports made a moderate contribution on the plus side.

Prices of Choice steers at Omaha in the first half ranged from a weekly low of $39 in early January to a high of $47 in mid-June and averaged more than $8 above January-June 1972. Late last November this class of slaughter cattle sold for $32. While early summer prices for fed cattle were record high, so were feed costs and feeder cattle prices.

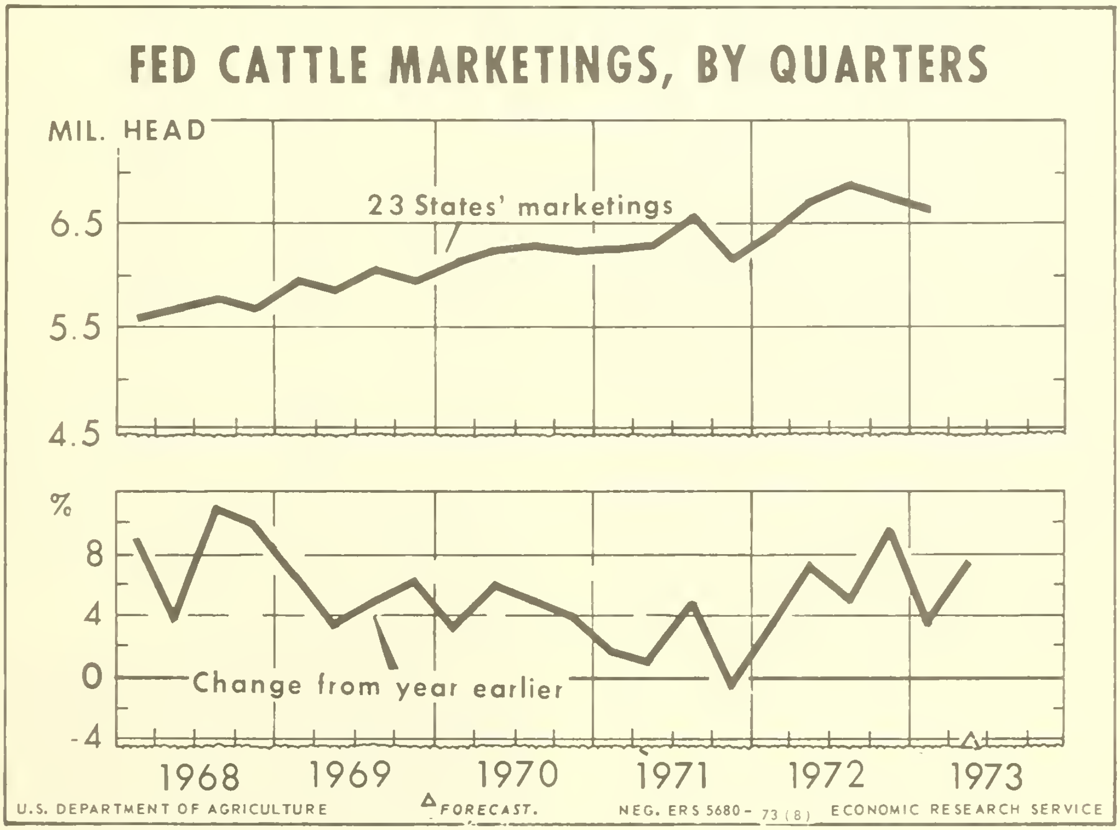
Summer Slaughter to be Down from a Year Ago

At mid-1973 cattle feeders in 23 major feeding States had 2 percent more cattle on feed than a year earlier, even though April-June placements were down 11 percent. A 4 percent larger April 1 inventory and 6 percent fewer cattle marketed during the spring resulted in a small increase at midyear. In the Corn Belt, the on-feed inventory was nearly the same as a year ago, while Western feeders had 3 percent more on feed. On July 1, cattle feeders planned to ship slightly more cattle to market this summer than last, and 11 percent more than during April-June. All of the increase will be in the West. However, with the announcement of the price freeze continuing on beef, some feeders will slow fed cattle movement, holding them back in anticipation of a price rise when the freeze is lifted. Extending the freeze until mid-September will reduce summer marketings below those indicated by midyear intentions.

Fed cattle marketings in the first half of 1973 were down 2 percent from a year ago and cow slaughter was up slightly. However, non-fed steer and heifer slaughter was insignificant, compared with about 5 percent of total slaughter during January-June 1972. Thus, January-June 1973 cattle slaughter was down 6 percent with the lack of non-fed steers and heifers contributing to all of the decrease. This summer, with smaller marketings of fed cattle under price freeze

Table 1.—Cattle and calves on feed in 23 States July 1, by region

Item	1971	Change from 1970	1972	Change from 1971	1973	Change from 1972
	Thousand head	*Percent*	*Thousand head*	*Percent*	*Thousand head*	*Percent*
North Central States						
East	1,198	-4.3	1,296	+8.2	1,231	-5.0
West	4,681	-6.4	5.274	+12.7	5,434	+3.0
Total	5,879	-6.0	6,570	+11.8	6,665	+1.4
Texas and Oklahoma	1,953	+24.4	2.417	†23.8	2,603	+7.7
Other Western States	3,057	+8.6	3,470	+13.5	3,464	-0.2
Total	10,889	+2.4	12,457	+14.4	12,732	+2.2



conditions, limited marketings of non-fed steers and heifers,.and cow slaughter near a year earlier, total cattle slaughter will be down.

Fed cattle prices rose steadily through most of the first half, reaching $47 per 100 pounds for Choice steers at Omaha in June. Prices were strong in July exceeding $49 late in the month, and beef processors were unable to pass increased costs of cattle on to their customers since beef prices were at ceiling levels. The fed cattle market may rise sharply after removal of price ceilings on beef. But after the initial upsurge is past, some downward adjustment is expected.

Fall Slaughter Near Year Earlier

October-December beef output is expected to approach a year earlier. Fed cattle marketings this fall may rise above year-earlier levels, and be a little larger than summer shipments. At midyear the

Choice steer prices per 100 pounds, Omaha

Month	1969	1970	1971	1972	1973
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*
January	27.82	28.23	29.11	35.74	40.62
February	27.63	29.30	32.23	36.19	43.35
March	29.00	30.97	31.81	35.13	45.55
April	30.41	30.64	32.44	34.53	44.97
May	33.18	29.52	32.88	35.66	46.05
June	33.99	30.29	32.39	37.88	46.98
July	31.56	31.12	32.44	38.21	48.05
August	30.40	30.14	33.24	35.66	
September	28.77	29.32	32.62	34.85	
October	27.72	28.67	32.34	34.85	
November	27.67	27.21	33.58	33.56	
December	27.98	26.71	34.40	36.79	
Average	29.66	29.34	32.42	35.83	

feedlot inventory showed 4 percent more steers weighing 700-900 pounds and heifers weighing 500-700 pounds. These cattle normally supply over half of the fourth quarter marketings. While summer placements are expected to be no larger than last year, some carryover of cattle intended for summer shipment at midyear could add to fall output. Summer placements are likely to be the same or down because feed costs will be high, and range and grass conditions are generally good. Also, available credit may be a limiting factor in some areas. Cow slaughter will probably be near a year earlier this fall and non-fed steer and heifer slaughter will be negligible. On balance, the tradeoffs will be about offsetting, for little net change in beef output.

Choice steer prices at Omaha this fall are expected to drop below summer levels but average more than $10 above October-December 1972's $35 average. With fed cattle marketings rising above year-earlier levels and pork output up seasonally, the cattle and beef market is expected to gradually return to a more normal relationship between supply and demand.

Market weights of fed cattle may be heavier this July-December than last, despite higher feed costs because of the tendency to hold cattle back and wait for the lifting of the price freeze.

Average liveweight of Choice steers, 7 markets

Month	1970	1971	1972	1973
	Pounds	*Pounds*	*Pounds*	*Pounds*
January	1,138	1,139	1,128	1,139
February	1,142	1,142	1,122	1,140
March	1,142	1,134	1,135	1,125
April	1,139	1,133	1,139	1,126
May	1,141	1,139	1,134	1,132
June	1,137	1,130	1,119	1,132
July	1,112	1,099	1,106	
August	1,095	1,080	1,081	
September	1,089	1,091	1,095	
October	1,098	1,102	1,122	
November	1,114	1,116	1,130	
December	1,128	1,124	1,150	
Year	1,124	1,122	1,124	

Current fed cattle prices per 100 pounds, compared with feeder cattle prices 5 months earlier

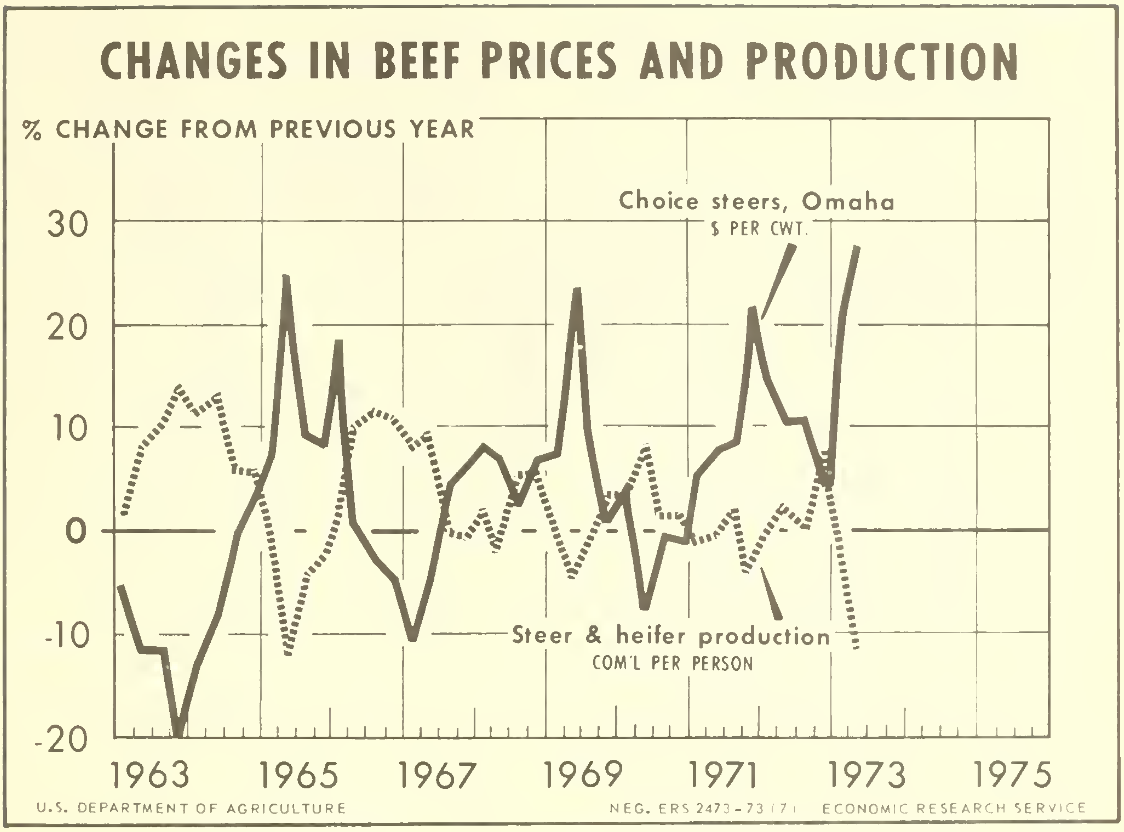
Year	Fed cattle[1]	Feeder cattle[2]	Margin
	Dollars	*Dollars*	*Dollars*
1971			
January	29.10	33.28	-4.18
February	32.18	32.86	-.68
March	31.89	32.66	-.77
April	32.41	31.79	+.62
May	32.86	31.28	+1.58
June	32.35	32.20	+.15
July	32.44	34.24	-1.80
August	33.10	34.26	-1.16
September	32.58	34.46	-1.88
October	32.22	34.52	-2.30
November	33.30	34.52	-1.22
December	34.28	34.36	-.08
1972			
January	35.63	35.18	+.45
February	36.32	34.97	+1.35
March	35.17	35.64	-.47
April	34.52	36.88	-2.36
May	35.70	37.20	-1.50
June	37.91	37.92	-.01
July	38.38	38.86	-.48
August	35.70	38.64	-2.94
September	34.69	38.54	-3.85
October	34.92	40.43	-5.51
November	33.59	41.94	-8.35
December	36.85	42.02	-5.17
1973			
January	40.65	42.07	-1.42
February	43.54	43.29	+.25
March	45.65	44.15	+1.50
April	45.03	43.17	+1.86
May	45.74	45.77	-.03
June	46.76	47.33	-.57

[1] Choice steers at Omaha, 900-1,100 pounds. [2] Choice steers at Kansas City, 600-700 pounds, prior to 1972 550-750 lb.

Feeder Cattle Supply Larger

The feeder cattle supply at midyear was larger than on July 1, 1972, largely because there were more animals on farms at the beginning of the year and because cattle and calf slaughter was down moderately in the first half. On January 1, 1973, there were 4 percent more steers but no change in the number of heifers weighing over 500 pounds. Calf numbers were up only 2 percent.

Commercial steer and heifer slaughter in the first half of 1973 was 7 percent smaller than a year before, and calf slaughter was down 26 percent. January-June imports of feeder cattle were up about 4 percent. After accounting for the July 1 inventories on feed, and unusually severe death losses, the number of young animals carried through the first half was up about 9 percent. These cattle are available for feedlot placement this summer and fall. In addition, the 1973 calf crop of 50 million head was up 4 percent and will



be important in the feeder cattle supply picture late this year and for all of 1974. Of particular significance to the feeding industry, this year's beef calf crop is estimated to be 6 percent larger than the 1972 crop. The reported size of the calf crop was about in line with the number of cows on farms January 1—up 6 percent. Reduced calving rates in some States due to late winter and early spring storms, were offset by higher calving rates in other areas.

Placements were down substantially last spring because of high feed and feeder cattle prices, poor feedlot conditions, and good grass. Despite smaller requirements by feeders for replacement cattle, there was no downward pressure on feeder cattle prices because grass was plentiful and many cattle went on grass rather than into the feedlot.

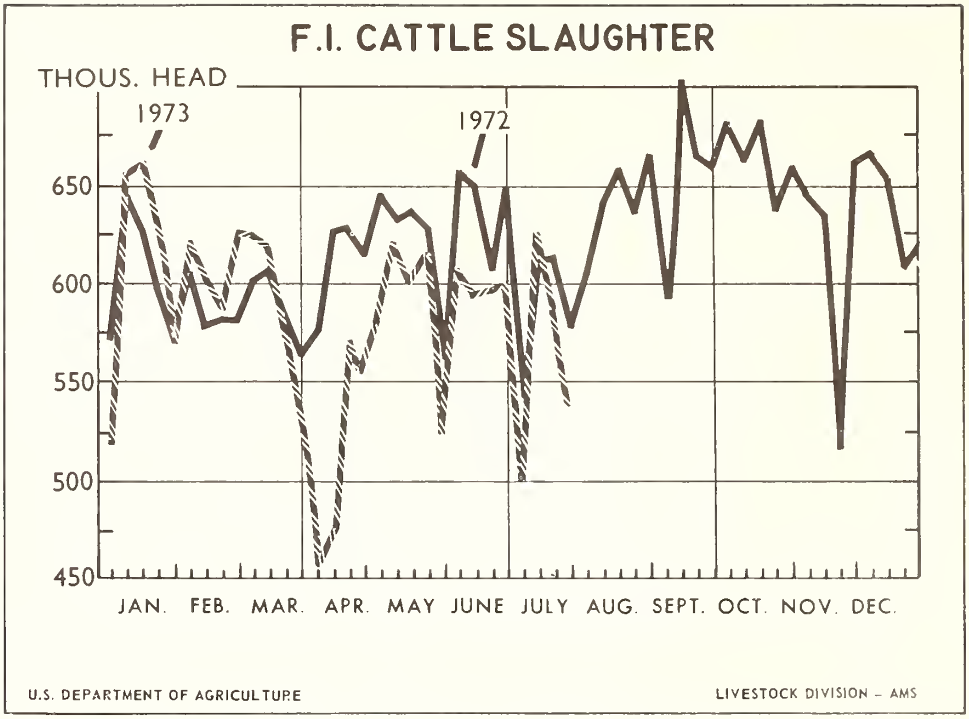
Although the supply of feeder cattle is large, little downward pressure on prices is expected in the months ahead. With high feed prices and good grass, summer placements are likely to be no larger than a year ago. However, the seasonally large movement to feedlots in the fall likely will rise above year-earlier levels. Following an extended period of fewer placements, in the spring and summer, feedlot inventories may be relatively low.

Feeder cattle prices have been trending steadily upward, with some minor dips, for the past 5 years. Choice yearling steers at Kansas City in late July were over $58 per 100 pounds, $16 above a year ago and $11 above January. Feeder calf prices were near $68. This was $20 above a year earlier. Although some adjustments are expected after the freeze is lifted, feeder cattle prices will range near early summer levels and well above last year. However, some weakness may develop in the fall if feed prices continue high.

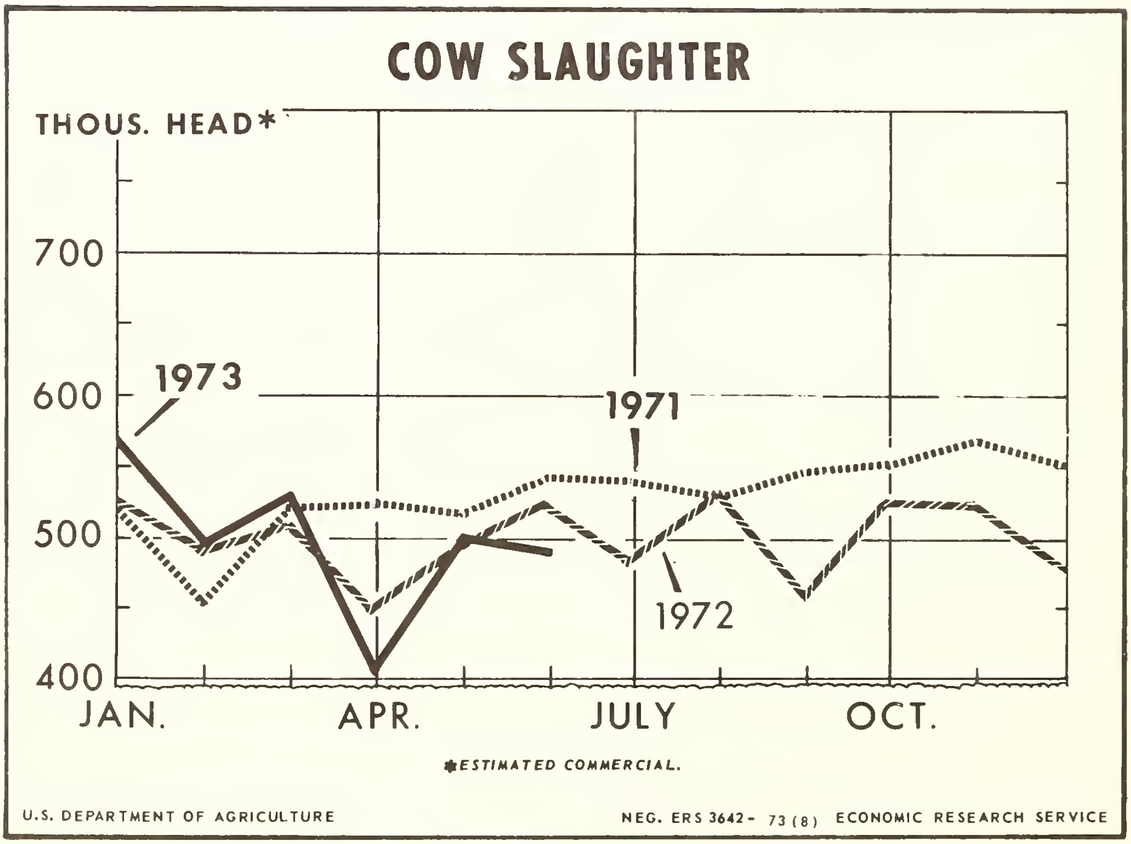
Feeder cattle prices per 100 pounds, Kansas City

Month	Choice feeder steers 600-700 lbs.[1]			Choice feeder steer calves[2]		
	1971	1972	1973	1971	1972	1973
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	32.20	37.92	47.33	36.18	41.50	51.95
Feb.	34.24	38.86	50.98	38.48	43.94	56.10
Mar.	34.26	38.64	54.01	38.17	44.69	62.72
Apr.	34.46	38.54	51.82	38.62	45.16	60.42
May	34.52	40.43	54.55	39.19	46.67	62.59
June	34.52	41.94	54.85	39.15	47.32	62.42
July	34.36	42.02	56.49	39.10	47.10	64.40
Aug.	35.18	42.07		39.36	48.32	
Sept.	34.97	43.29		39.33	48.70	
Oct.	35.64	44.15		39.95	49.81	
Nov.	36.88	43.17		41.70	48.37	
Dec.	37.20	45.77		41.81	49.90	
Av.	34.87	41.40		39.25	46.79	

[1] Prior to 1972 550-750 lbs. [2] 400-500 lbs., prior to 1972 300-500 lbs.



F.I. CATTLE SLAUGHTER
THOUS. HEAD
1973
1972
650
600
550
500
450
JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.
U.S. DEPARTMENT OF AGRICULTURE
LIVESTOCK DIVISION – AMS



COW SLAUGHTER
THOUS. HEAD*
700
600
500
400
1973
1971
1972
JAN.
APR.
JULY
OCT.
*ESTIMATED COMMERCIAL.
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Cow Slaughter Up

First half cow slaughter was a little larger than January-June 1972. The higher level largely reflected increase from the dairy side. For example, in the Northeast, North Central and Pacific Coast regions, where dairying accounts for a substantial part of cattle production, cow slaughter has been running moderately above a year ago. Rising feed costs and high prices for slaughter cows encouraged a heavier rate of culling of older cows and some increase in the rate of liquidation.

With record high feeder cattle prices and generally good grazing conditions, second half cow slaughter may run near or only a little above year-earlier levels, but seasonally larger than in January-June. However, high cow prices may encourage cattlemen to sell marginal cows and replace them with heifers. This could raise cow slaughter moderately above July-December 1972.

Utility cow prices per 100 pounds, Omaha

Month	1970	1971	1972	1973
	Dollars	*Dollars*	*Dollars*	*Dollars*
January	20.93	19.98	22.61	26.67
February	22.18	20.98	23.80	31.43
March	23.24	22.03	24.73	33.90
April	23.23	21.48	24.70	33.59
May	22.64	22.30	25.51	34.26
June	22.58	22.03	26.00	33.09
July	20.85	21.68	26.22	34.21
August	20.48	21.72	26.18	
September	21.13	21.84	26.57	
October	20.84	22.30	26.19	
November	19.04	21.45	24.98	
December	18.77	21.64	25.02	
Average	21.32	21.62	25.21	

Cow prices rose sharply in the winter, slipped back some in the spring, but averaged nearly $8 above a year earlier in the first half. In March, Utility cows were selling near $36 per 100 pounds in Omaha, but by midyear had dropped back to $33. Cow beef production was larger in the first half and beef imports were up 5 percent. However, the supply of fed beef and pork was smaller, causing a net reduction in processing meat supplies.

Since pork supplies and cow beef output are expected to change little in the second half, larger beef imports will boost the total supply of processing meats a little above a year ago. Demand for processing meat will continue strong and any seasonal decline in cow prices will be small.

Calf Slaughter Down

Calf slaughter is down sharply again this year. The 1973 calf crop is up 4 percent with all of the increase on the beef side. The dairy calf crop is down again.

In the second half, calf slaughter is expected to continue well below a year earlier—perhaps 15 to 20 percent less than during July-December 1972. Strong prices for feeder cattle, as well as a smaller supply of dairy calves, will contribute further to the downtrend in calf slaughter.

Vealer calves at South St. Paul averaged $63 per 100 pounds during the first half of 1973. At midyear they were $66. In the second half, they are expected to continue near or above midyear levels, and well above a year ago, with little seasonal decline into fall.

Cattle Inventory Up Again

The total number of cattle and calves on farms is rising again this year. On January 1, 1973, there were 122 million cattle and calves on farms, up 4.1 million head from a year earlier and 12.6 million head more than on January 1, 1968, when the current expansion began. Most of the increase in cattle numbers this year will be in beef cows and calves, but steers and heifers will probably contribute more to the increase than they did a year ago.

A strong feeder cattle market in 1973 and other recent years is encouraging cattlemen to expand breeding herds. This action will, in turn, continue to provide for a rise in beef production, despite short-term disruptions such as have occurred in 1973.

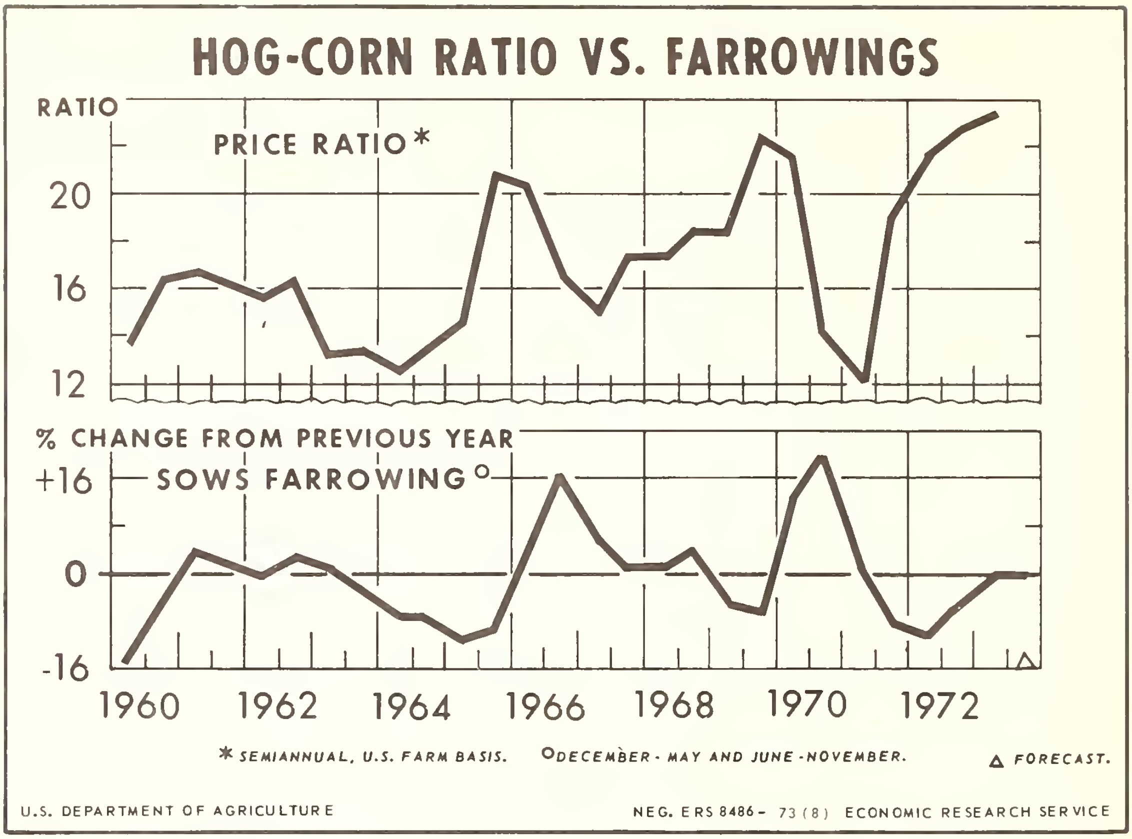
The wide range of the age and weight at which cattle may be placed in the feedlots for finishing allows considerable variations in short-run output of fed beef, but over time, beef output will continue to trend upward. Barring further disruptions, and assuming adequate feed supplies, the industry's output may get back on track in 1974. With cattle and calf slaughter down and the calf crop increasing again, the January 1, 1974 inventory rise will be substantial.

On July 26, the Statistical Reporting Service issued the first report of a new series on annual midyear cattle inventory estimates by classes. The report showed there were 130.7 million cattle and calves on farms and ranches on July 1. This was 7 percent more than the number reported on January 1. The increase largely reflects the number of calves born during January-June.

HOGS

Hog Expansion Deferred

Hog producers during the past several months responded to sharply higher feed prices, retail price ceilings on meat, and uncertainties developing in the feed and livestock markets by altering earlier intentions to expand production. Last December, hog producers reported plans to have 6 percent more sows farrow during the December 1972 to May 1973 period. However, the June Hogs and Pigs report indicated



that the number of sows actually farrowed during that period was about the same as a year earlier. Moreover, bad weather conditions in the winter and early spring caused a reduction in the number of pigs saved, resulting in a 2 percent smaller pig crop. This substantial shift alters prospects for supplies and prices of slaughter hogs in the months ahead.

Commercial hog slaughter was off 9 percent in the first half. In late March and early April, the consumer meat boycott contributed to substantial fluctuations in slaughter supplies and hog prices. Changes in weekly slaughter rates ranged from 10 to 20 percent below year-earlier levels. By midyear, slaughter was still running below a year earlier.

The decrease in first half slaughter also had been unexpected. The December Hogs and Pigs Report had reported the 1972 fall crop was about the same as a year earlier. The June report revised the fall crop down by 6 percent.

Prices for slaughter hogs have been running well above 1972 due to smaller supplies of pork and other red meats and very strong consumer demand. Pork production was down 6 percent in the first half and beef output was off 5 percent. Barrow and gilt prices rose from $31 per 100 pounds in early January, topping $39 in early March before losing most of the rise during March. From early April, prices advanced steadily, reaching $39.75 per 100 pounds by the end of June.

Hog-corn price ratio, Omaha basis

Month	1970	1971	1972	1973
January	22.8	11.0	19.7	21.4
February	23.5	13.2	20.6	23.3
March	21.7	11.6	19.0	25.4
April	19.6	11.3	18.2	23.4
May	18.8	11.8	19.7	19.5
June	18.8	12.2	21.5	17.0
July	19.5	13.9	22.8	20.2
August	16.3	15.1	23.5	
September	14.5	16.3	22.6	
October	13.2	17.2	21.8	
November	11.5	16.7	20.6	
December	10.8	16.6	20.5	
Average	17.6	13.9	20.9	

Slaughter to Stay Subpar

Hog slaughter this summer will probably run a little below July-September last year. On June 1, there were about 1 percent fewer market hogs and pigs on farms than a year earlier. The number of hogs

weighing 60 to 220 pounds was down 1 percent. These hogs will provide the bulk of summer slaughter supplies.

Market hogs and pigs by weight groups, as of June 1

Weight group	1971	1972	1973	Change from 1972
	1,000 head	*1,000 head*	*1,000 head*	*Percent*
Under 60 lbs.	26,534	24,625	24,743	+.5
60-119 lbs.	13,866	12,679	12,156	- 4
120-179 lbs.	8,769	8,040	8,189	+ 2
180-219 lbs.	5,283	4,760	4,803	+ 1
220 lbs. + ...	1,637	1,426	1,298	- 9
Total market hogs and pigs . . .	56,089	51,530	51,189	- 1

Third Quarter Prices Jump

In the last full week in July, barrows and gilts at 7 markets topped the Omaha fed cattle market and averaged $51.50 per 100 pounds, $11 above late June, and $23 above a year earlier. After the beef price ceiling is lifted, and following the initial response to the removal, hog prices are expected to assume a more normal relationship to cattle prices.

Hogs prices per 100 pounds, 7 markets[1]

Month	Barrows and gilts			Sows		
	1971	1972	1973	1971	1972	1973
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	16.25	24.84	32.51	12.74	20.41	26.32
Feb.	19.43	25.61	36.23	16.68	22.90	31.22
Mar.	17.13	23.56	38.13	15.28	21.43	34.47
Apr.	16.19	22.89	35.56	14.47	20.89	32.33
May	17.43	25.32	35.89	14.84	22.12	32.46
June	18.38	26.74	38.55	15.07	22.42	33.87
July	19.84	28.57	46.64	15.86	23.59	40.56
Aug.	19.05	28.86		15.77	25.22	
Sept.	18.91	29.10		16.08	25.92	
Oct.	19.80	28.09		16.95	25.05	
Nov.	19.39	27.79		16.32	23.04	
Dec.	20.98	30.78		16.26	24.26	
Av.	18.45	26.76		15.54	23.26	

[1] Average for all weights at Midwest markets.

Market weights of hogs averaged a little heavier in the first half than in January-June last year. Average weights in February were up 3 pounds per head. Higher prices in the winter encouraged producers to hold hogs back some. Bad weather may also have contributed to some delay in shipping hogs at that time.

Heavier weights, together with higher pork yields, resulted in a little smaller decline in pork output than in hog slaughter; hog slaughter was down 9 percent in the first half while pork production was off 6 percent.

In the second half, this situation is expected to continue, with pork output gaining a little on slaughter. Most of the difference will be due to higher pork yields. Market weights will likely be near a year earlier with feed prices tending to discourage feeding to heavier weights even though hog prices will be high. Pork yields will also continue above a year ago with small supplies and high pork prices allowing packers to trim less closely than normal. The continuing trend to leaner hogs, yielding a higher proportion of pork cuts and less lard, is another contributing factor.

With little change in average slaughter weights, the amount of lard produced per hog has been trending downward for several years, but changes have been more dramatic in recent years. For example, 23 years ago a hog produced about 35 pounds of lard. This changed only a little during the 1950's, and still averaged 30 pounds in the early 1960's. By the mid-1960's it averaged 25 pounds and last year had dropped to 19 pounds. So far this year lard yield per hog has been running about 2 pounds under last year.

Movement of pork into cold storage during the first half was about in line with the level of production, down sharply from last year. Strong demand for meat and smaller output pulled storage stocks to the lowest levels in several years, with only 254 million pounds in cold storage at midyear. This compares with 320 million pounds a year ago, and 477 million pounds in mid-1971. Thus, outmovement this summer will have little effect on prices of pork or hogs.

Fall Slaughter to Be A Little Smaller

Hog slaughter this fall is expected to be near last fall and the marketing pattern will be about the same. The summer-fall increase will be comparable to last year's third to fourth quarter rise of 13 percent.

As farrowings continue to become more evenly distributed throughout the year, seasonal changes in hog slaughter tend to lessen. For example, during the 5 years prior to 1970 the summer-fall rise averaged 17 percent. In 1971 and 1972 it was 11 and 13 percent, respectively. The exceptions occur at the beginning of cyclical changes in hog production. For example, in 1970, fall slaughter jumped 25 percent above summer as marketings reflected a substantial rise in the spring pig crop that marked the beginning of the last cyclical increase in hog production. Sows farrowing in March-May 1970 were up 16 percent from a year earlier.

Most of the slaughter hogs marketed during October-December will come from the inventory of market hogs on farms under 60 pounds on June 1.

Table 2.—Hog-Corn price ratio during fall breeding season, United States and North Central Region, arrayed according to United States ratio, and number of sows farrowing following fall, 1958-73

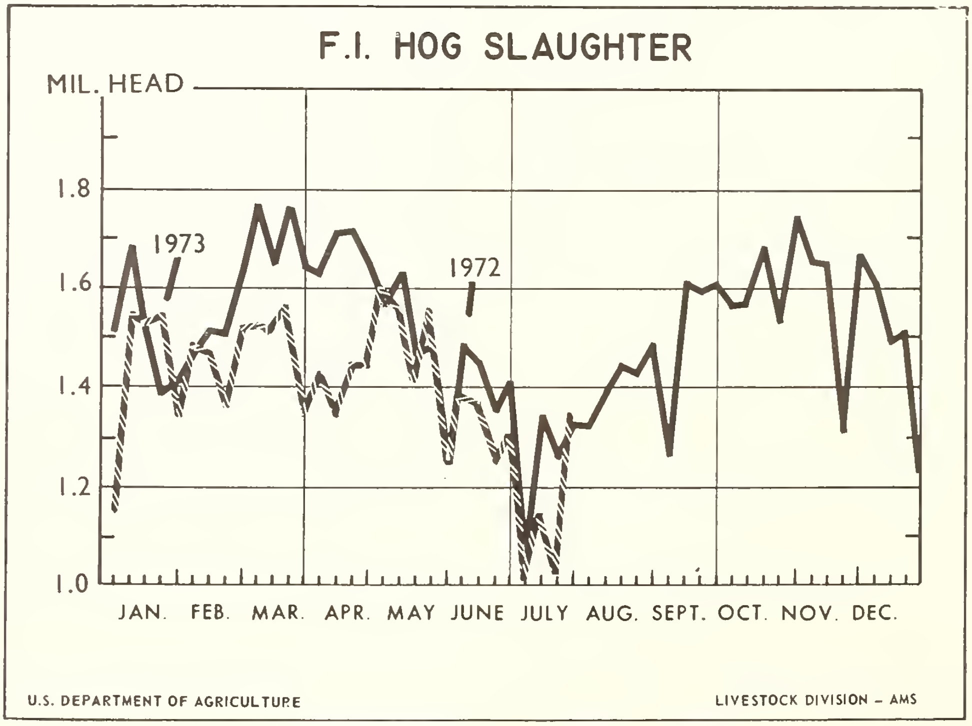
Year	Hog-Corn price ratio March-June[1]		Number of sows farrowing following fall	Increase or decrease from preceding fall in sows farrowing	
	United States	North Central States		Number	Percentage
			1,000 head	*1,000 head*	*Percent*
1973	23.3	23.8	[2]5,979	+12	0.2
1972	21.4	21.6	5,967	-330	-5.2
1970	20.5	20.9	6,882	1,137	19.8
1966	19.2	19.4	5.810	804	16.1
1969	18.7	19.2	5,745	-385	-6.3
1958	18.7	19.4	5,887	775	15.2
1968	17.5	17.8	6,130	229	3.9
1961	16.4	16.7	5,918	79	1.4
1967	15.4	15.6	5,901	91	1.6
1965	15.2	15.4	5,006	-519	-9.4
1962	15.2	15.6	6,098	180	3.0
1960	14.6	15.1	5,839	-289	-4.7
1959	13.6	13.9	6,128	241	4.1
1963	12.9	13.2	5.987	-111	-1.9
1964	12.4	12.6	5,525	-462	-7.7
1971	11.9	12.1	6,297	-585	-8.5

[1] Based on prices received by farmers. [2] Forecast.

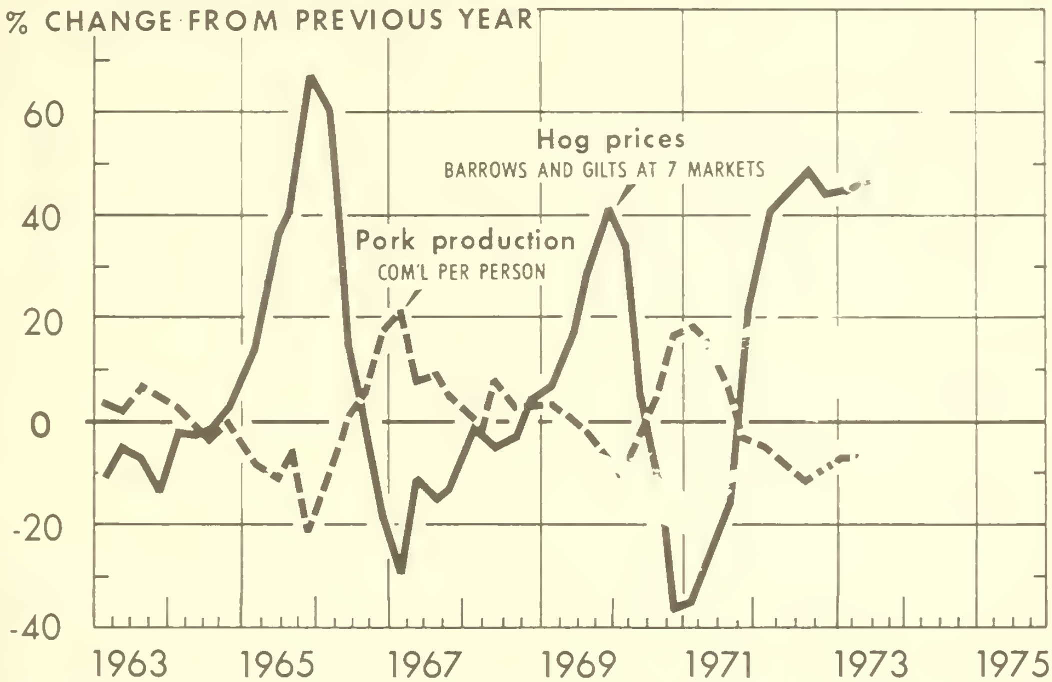
There were about the same number of hogs in this weight group as a year earlier.

Corn acreage is up 9 percent from a year earlier and soybean acreage to be harvested for beans, is up 22 percent according to the July 10 Crop Report. If feed output increases substantially as suggested by the Report, feed prices will be lower this fall than now, but still well above last year.

Last fall, when hog producers planned to have 6 percent more sows farrow in December 1972-May 1973, the hog-corn ratio had been running above 20 to 1 for several months. Corn prices ranged between $1.20 and $1.50 a bushel (No. 2 yellow, Omaha). Hog prices rose faster than corn prices in the winter and the ratio reached 26 to 1 in March. However, corn prices rose to over $2 a bushel in June and dropped the



CHANGES IN HOG PRICES AND PORK PRODUCTION



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ratio to 17 to 1. Also, protein supplement prices more than doubled. Hog producers backed away from earlier expansion plans and held December-May farrowings near year-earlier levels. Thus, while other factors contributed significantly to the change of plans, rising feed costs were a major deterrent.

In the past, hog-corn price ratios above 20 to 1 have stimulated an increase in hog production. But farmers are not as responsive to changing hog-corn price relationships as they used to be. Other factors, such as cost of other feeds, costs of adding new facilities, and pollution controls are also weighted heavily. On balance, while hog-corn price ratios may favor expansion this fall, action by farmers to increase the number of sows and gilts bred may be delayed until they are more confident of a reasonable degree of stability in the livestock and feed economy. Also, corn prices may be high enough that producers will be satisfied to sell corn for cash rather than expanding hog production.

Slaughter to Continue Near or Below in 1974

The June Hogs and Pigs Report indicated that hog producers planned to have about the same number of sows farrow during the June-November period as last year. Pigs born during this period will provide the bulk of slaughter supplies in the first half of 1974. Thus, with normal litters, the number of slaughter hogs in January-June 1974 would be expected to be about the same as a year earlier, and moderately fewer than July-December 1973. However, persistent and widespread reports during June indicated an above-normal proportion of pregnant sows and gilts sold for slaughter. To the extent such reports reflect a general situation, fewer sows will farrow this summer than anticipated, and January-June 1974 slaughter supplies will be curtailed. Most of the effect any such action may have on slaughter next year would be early in the year. After price ceilings on pork were lifted in July, producers apparently had less reason to cut back production further.

Feeder Pig Market To Improve in the Fall

Feeder pig prices generally reflect farmers' attitudes about the profit outlook for slaughter hogs. The 1973 feeder pig market has been a good example. Feeder pig prices strengthened during the first quarter, with 40-60 pound weights rising from $26 per head in Southern Missouri auctions in early January, to over $42 in late March, about $14 above a year ago. The hog-corn price ratio was high at the time, near 26 on Omaha basis. Then a sharp dip in the slaughter market in late March precipitated a downturn in feeder pig prices that continued until late June when

they sold at $32. By then feed prices were runnning 75 percent above a year earlier. The downturn in the slaughter hog market seemed to start the decline of feeder pig prices. However, a steady rise in feed costs in the spring, and additional uncertainties from consumer actions and imposition of price ceilings were also discouraging to hog producers.

The feeder pig market responded sharply to the recent jump in the slaughter market. In late July, 40 to 60 pound feeders in Southern Missouri were bringing $50 a head. With lower feed prices and higher slaughter hog prices, demand for feeder pigs will continue firm this summer and fall. However, high feed prices would tend to weaken the feeder pig market.

SHEEP AND LAMBS

Commercial sheep and lamb slaughter totaled 4.7 million head in the first half of 1973, down 9 percent from a year earlier and a record low. First quarter slaughter was 13 percent below 1972. The second quarter was down 5 percent from a year ago but 4 percent more than in January-June. Spring slaughter usually drops below winter levels. A slowdown in marketings occurred in the late winter and spring as lamb producers and feeders reacted to the consumer boycott on meat. The backup of slaughter lambs resulted in overlapping in marketing of fed lambs and spring lambs and a sharp rise in the number of overweight lambs in the feedlots. Consequently, market supplies were bunched in May and slaughter for the month was up 6 percent from a year earlier and was the largest slaughter for that month since 1969.

Record low lamb slaughter in February, and an unusually strong cattle and hog market, stimulated record prices paid for slaughter lambs. Choice grade spring lambs at San Angelo reached $45 per 100 pounds by early March. This was $16 higher than a year earlier. The market dropped to $35 in mid-May, reacting to bunched supplies, some declines for other slaughter livestock, and increased numbers of heavy lambs brought on by the spring holdback.

Discounts on heavy carcasses in Chicago widened sharply. For example, 55 to 65 pound Choice carcasses were quoted at $56 per 100 pounds in late May. This was $13 below 45 to 55 pound carcasses of the same grade and compares with a spread of only about $1.50 a year earlier. By early July the discount on heavier carcasses had dropped to $3. All weights will soon be selling near the same price.

During June and July prices rose a little as demand for red meats was pushing cattle and hog prices against ceiling levels and lamb slaughter rates dropped below May levels. However, the small price recovery did not equal those in the cattle and hog markets. Near the end of July Choice lambs were quoted at $37.50.

Choice lamb prices per 100 pounds, San Angelo

Month	Slaughter lambs			Feeder lambs		
	1971	1972	1973	1971	1972	1973
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	24.06	27.19	35.75	24.00	27.69	34.30
Feb.	24.12	28.69	39.12	24.75	28.38	39.06
Mar.	28.05	32.00	43.17	28.05	32.25	39.19
Apr.	29.06	31.12	39.50	27.44	32.00	40.75
May	29.69	33.75	36.70	26.76	32.55	36.05
June	30.05	32.88	38.46	25.65	29.81	35.31
July	29.06	33.31	37.31	24.69	29.88	34.50
Aug.	28.12	31.52		25.75	29.70	
Sept.	25.70	29.44		24.95	29.56	
Oct.	26.06	28.50		25.19	29.38	
Nov.	26.00	28.52		26.44	30.45	
Dec.	25.94	[1] 30.42		26.69	31.25	
Av.	27.16	30.70		25.86	30.24	

[1] Shorn.

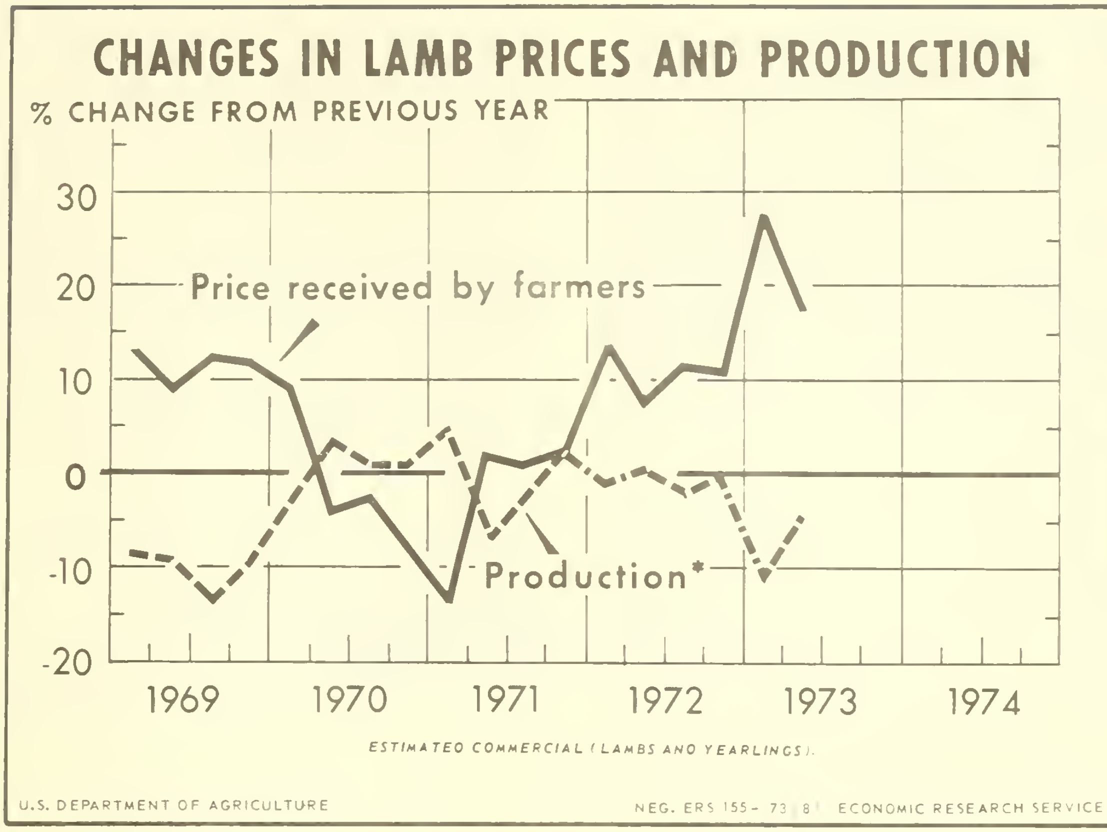
Lamb Crop Smaller

The 1973 lamb crop totaled 11.4 million head, down 9 percent from a year earlier. This corresponds to a 6 percent reduction of ewes 1 year old and older on hand on January 1, 1973. The lamb crop was down more than the number of ewes on hand because death losses were high in some areas due to harsh weather conditions during lambing and increased predator losses. The lambing rate (number of lambs saved per 100 ewes 1 year old and older on hand January 1), at 94, was 3 points below last year's unusually high rate. Lambing rates were down sharply in Texas, Wyoming, and New Mexico where severe storms struck close to lambing time.

Slaughter Prospects Smaller

The 9 percent reduction of the 1973 lamb crop indicates continued smaller supplies of alaughter lambs during the second half of the year. Slaughter rates are expected to run 15 percent or more below last year. A relatively favorable lamb market and near-record wool prices will likely encourage producers to slow the liquidation rate and hold more ewe lambs back for breeding this year. However, lamb slaughter would have to be down more than expected in the second half to stop the decline in the inventory. Such a reduction is unlikely.

Increased demand and limited output for all red meats will tend to sustain higher lamb prices for the remainder of 1973. Prices likely will average $8 or more, above last July-December's $31 average. The usual seasonal decline in slaughter lamb prices through September and October will probably not materialize this year due to a smaller supply and strong demand for red meats. An expected further decline in lamb imports will also tend to hold prices up.



CHANGES IN LAMB PRICES AND PRODUCTION
% CHANGE FROM PREVIOUS YEAR
30
20
10
0
-10
-20
Price received by farmers
Production*
1969
1970
1971
1972
1973
1974
ESTIMATED COMMERCIAL (LAMBS AND YEARLINGS).
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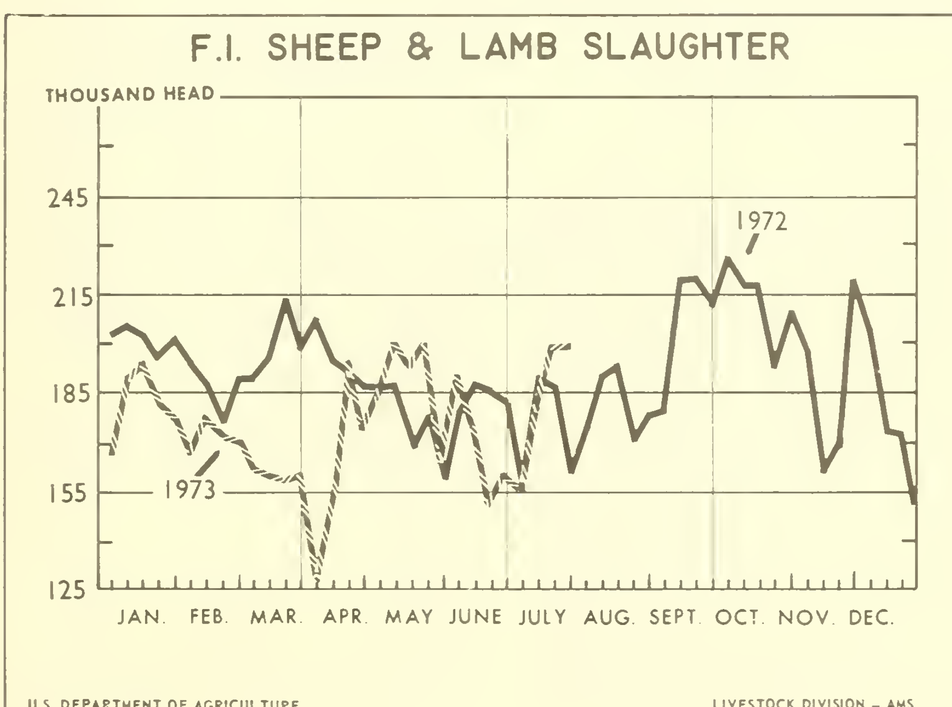

F.I. SHEEP & LAMB SLAUGHTER
THOUSAND HEAD
245
215
185
155
125
1972
1973
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
AUG.
SEPT.
OCT.
NOV.
DEC.
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LIVESTOCK DIVISION – AMS

Feeder Lamb Prices to Strengthen

Although there will be a smaller supply of feeder lambs this season, this has not yet been reflected in the feeder prices. Prices rose from $29 for Choice feeder lambs at San Angelo in October to a peak monthly average of $40.75 in April, $8.75 above a year earlier. Second quarter feeder prices dropped steadily and in late July, Choice feeders sold for $33.50 at San Angelo and $28.00 in Dixon, Calif., only $1 to $3 above a year earlier. Feeder lamb prices will probably rise seasonally in late summer and autumn, if feed grain prices drop enough to encourage lamb feeders to seek out the limited supply of feeder lambs.

Inventory Continues Down

Sheep and lambs on farms and ranches on January 1, 1973, totaled 17.7 million, 5 percent below 1972. This was about 87 percent of the January 1, 1970, level and 53 percent of the January 1, 1960 inventory, when the current downturn began. This is an average reduction of 3.6 percent per year from 1960 to date, and increased to 4.3 percent annually since 1970. While the higher lamb and wool markets this year would tend to slow the liquidation rate other factors involved will probably result in a net change of about the same magnitude as last year. The decline this year will reflect the sharp drop in the lamb crop as well as heavier death losses.

As meat animal prices climb generally in response to increasing demand for red meats, the rate of decline in sheep numbers on farms in the United States may ease in the next year or two. Also, prices paid for wool will have a substantial effect on sheepmen's production plans in the years ahead.

MEAT CONSUMPTION

Consumption Off! Prices Up

Consumption of red meat per person in the first half averaged nearly 7 pounds less than the 1972 January-June average of 94.2 pounds. Consumption of all red meats was down with pork consumption off the most. In the second half, red meat consumption will be down again, slipping a bit from the year-earlier level of 94.7 pounds per person, but by a smaller margin than in the first half. Beef and pork consumption are both expected to be smaller than a year ago, but second half consumption will exceed first half consumption. Further declines in veal and lamb and mutton are also anticipated. Red meat consumption for the year will be the lowest since 1967's 178 pounds.

Per capita beef consumption during January-June was 3 pounds below the 57 pounds consumed per person in these months last year and 5 pounds less than in July-December 1972. Beef output was down 5 percent, but supplies were helped a little by a 5 percent increase in beef imports. All of the decline in beef production was the result of smaller marketings of steers and heifers. Cow beef production was a little larger than during January-June last year.

Beef consumption in the second half likely will be down nearly 2 pounds from 1972 levels with larger beef imports helping to make up some of the deficit in domestic output. However, July-December consumption probably will be up around 3 pounds from the first half. Consumption averaged 59 pounds per person in the second half last year. Most of the decline in consumption in the second half will again be largely due to less steer and heifer beef. Fed beef output will be up a bit but production from non-fed steers and heifers will be very small.

Veal consumption has been declining for several years and in 1972 was only 2.2 pounds per person. This year veal consumption is down again, and for the year may be off a quarter of a pound per person from 1972. Veal production is dropping because of the shift toward moving a larger proportion of the annual calf crop to feedlots before slaughter and because of the downtrend in the dairy herd.

Pork consumption will be off this year with deficits in the first half accounting for most of the drop. First half consumption averaged 31.1 pounds per person,

Meat Consumption

Year	January-June	July-December	Total
	Pounds per person		
Beef			
1969	53.9	56.9	110.8
1970	56.2	57.5	113.7
1971	55.8	57.2	113.0
1972	57.0	59.0	116.0
1973[1]	53.9		
Veal			
1969	1.7	1.6	3.3
1970	1.5	1.4	2.9
1971	1.3	1.4	2.7
1972	1.1	1.1	2.2
1973[1]	1.0		
Pork			
1969	33.0	32.0	65.0
1970	31.0	35.4	66.4
1971	36.1	36.9	73.0
1972	34.4	33.0	67.4
1973[1]	31.1		
Lamb & Mutton			
1969	1.7	1.7	3.4
1970	1.8	1.5	3.3
1971	1.6	1.5	3.1
1972	1.7	1.6	3.3
1973[1]	1.4	1.3	2.7
Red Meat			
1969	90.3	92.2	182.5
1970	90.5	95.8	186.3
1971	94.8	97.0	191.8
1972	94.2	94.7	188.9
1973[1]	87.4		

[1] Preliminary.

down from 34.4 pounds in January-June 1972. Second half consumption is expected to be a little below the 33 pounds per person consumed in the summer and fall of 1972, but a little more than January-June this year. The absence of the anticipated increase in second half pork supplies is the result of hog producers changing earlier plans for an increase in the 1973 spring pig crop.

Lamb and mutton consumption has been on a steady downtrend for several years. Last year, it averaged 3.3 pounds per person. This was up a little from 1971 because of larger imports, but still near trend. This year, lamb and mutton consumption is declining because domestic output is down sharply. Imports are also expected to be smaller.

Retail meat prices rose in the winter but were about unchanged in the spring after the price freeze was instituted. Beef prices rose from $1.22 per pound in January to about $1.36 in April and stayed near that level into the summer. Pork rose from 94 cents a pound early in the year to $1.03 in March and continued steady into June, then rising again in July. Relaxing the meat price ceilings, together with a smaller decline in output from last year and strong consumer demand for red meats, will result in further increases in retail meat prices this summer. However, steady prices may be noted in the fall, after the initial impact of ceiling relaxation is expended. Also, following several months of sharply rising prices, consumer buying may tend to subside late in the year. Any price declines will probably be small as available supplies will be less than a year earlier.

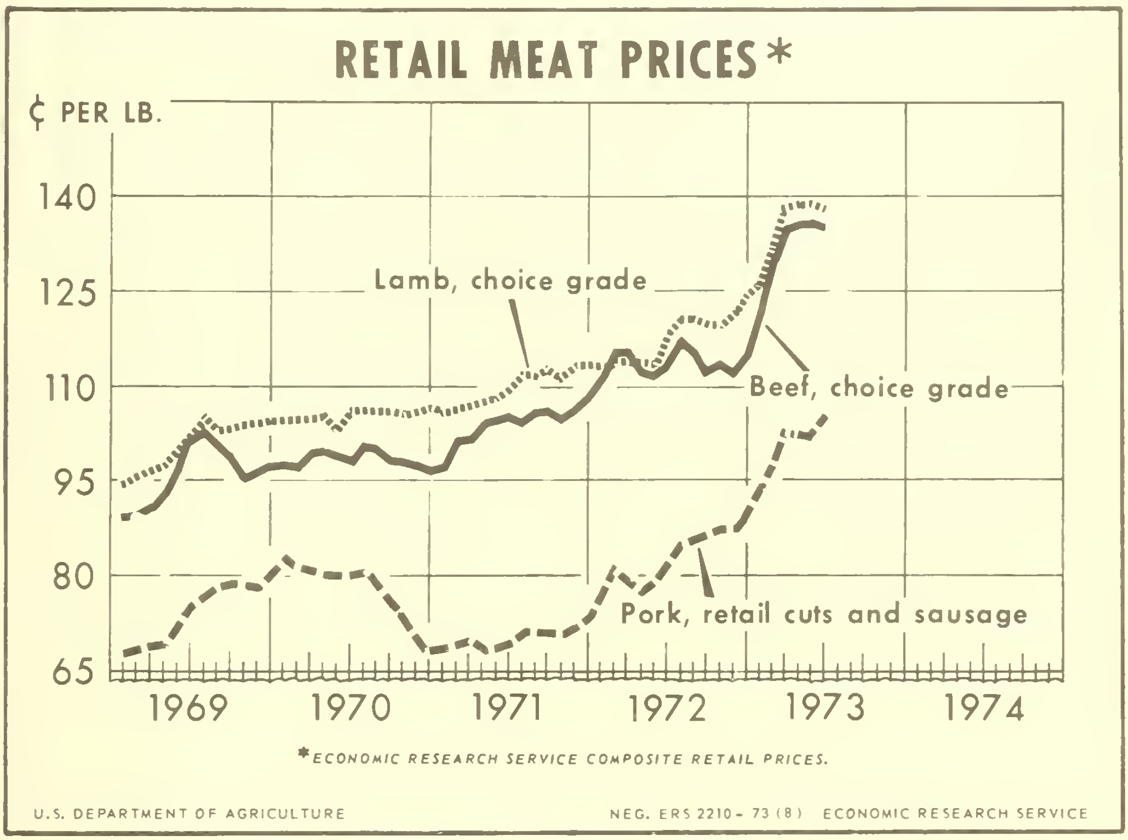

Table 3.—Average retail price of meat per pound, United States, by months, 1968 to date

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Beef, choice grade												
1968	84.3	85.1	85.6	85.6	85.8	85.8	87.1	87.0	88.4	87.7	88.1	88.5	86.6
1969	89.5	89.6	90.9	93.3	97.8	101.9	102.4	101.1	99.1	95.2	96.5	96.9	96.2
1970	97.5	97.3	99.4	99.9	99.4	98.5	100.7	100.4	98.7	97.9	97.6	96.5	98.6
1971	97.2	101.3	102.2	104.0	104.8	105.7	104.7	105.7	105.9	105.1	106.3	108.5	104.3
1972	111.5	115.8	115.8	112.0	111.4	113.5	117.3	115.8	112.9	112.8	112.3	114.6	113.8
1973	122.1	120.3	135.3	136.0	136.0	135.5							
	Veal, retail cuts												
1968	99.8	99.2	100.0	102.0	100.0	102.5	101.7	101.4	101.9	101.1	101.9	100.9	101.0
1969	102.5	103.7	104.6	107.5	108.6	112.5	114.0	115.0	115.1	115.2	114.6	116.3	110.8
1970	117.2	119.3	120.8	123.3	123.9	124.9	125.7	126.6	127.0	127.4	127.6	127.9	124.3
1971	128.9	129.5	130.8	133.2	134.2	135.4	139.3	140.2	140.6	141.4	141.9	142.4	136.5
1972	142.8	148.6	149.7	151.0	151.8	154.3	156.5	157.4	157.7	158.5	159.5	160.1	154.0
1973	162.2	168.5	175.8	179.0	179.0	178.7							
	Pork												
1968	65.4	66.7	67.1	66.3	66.7	67.8	69.4	69.0	68.8	67.8	67.1	67.0	67.4
1969	67.9	68.6	69.0	69.1	71.6	75.0	76.9	78.3	78.9	78.7	78.1	79.7	74.3
1970	82.1	81.8	81.4	79.9	80.0	80.0	80.6	79.7	76.7	74.6	70.8	68.4	78.0
1971	68.4	69.4	69.9	68.7	68.2	69.6	71.4	71.6	71.0	71.3	71.4	72.9	70.3
1972	76.3	81.3	79.4	78.2	79.4	82.0	85.6	86.0	86.6	87.5	87.2	88.5	83.2
1973	94.1	97.1	103.0	102.7	102.4	104.1							
	Lamb, Choice grade												
1968	89.8	90.4	92.0	92.5	93.3	93.7	94.5	93.6	93.1	94.5	94.2	93.5	92.9
1969	94.5	95.9	96.4	97.1	100.1	101.8	104.4	102.9	103.4	103.9	103.7	104.8	100.7
1970	104.8	104.8	104.7	105.6	103.9	105.7	106.0	106.3	106.3	105.9	105.9	106.4	105.5
1971	105.9	106.5	107.0	107.5	108.2	109.7	111.7	111.8	112.9	111.2	113.1	113.4	109.9
1972	113.0	115.1	115.2	115.6	115.2	118.4	120.6	120.7	120.1	120.5	121.4	124.3	118.3
1973	125.6	131.3	138.5	139.0	138.9	138.1							

Table 4.—Meat subject to U.S. import quota restriction: Product weight of imports by months, average 1959-63, 1964-73

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
1959-63 average													
1964	87.2	44.9	68.9	61.4	51.1	98.1	43.7	79.5	49.6	46.4	55.7	53.4	739.9
1965	28.2	34.5	68.7	32.4	52.3	41.9	58.5	59.9	62.2	64.4	57.2	53.7	613.9
1966	51.4	60.3	49.4	63.3	52.0	100.2	61.4	87.1	91.5	79.7	61.1	66.0	823.4
1967	77.4	58.5	61.9	58.8	51.5	69.6	88.7	92.2	89.9	91.8	82.3	72.4	894.9
1968	80.7	72.6	64.1	78.4	56.1	105.1	86.4	108.6	115.5	102.1	95.8	35.6	1,001.0
1969[1]	41.9	50.4	136.1	90.0	80.5	85.7	107.1	141.8	121.4	108.4	51.4	69.4	1,084.1
1970[1]	124.5	100.7	112.0	88.7	62.1	93.4	110.0	113.0	107.6	89.3	79.3	89.8	1,170.4
1971[1]	83.4	65.1	88.3	86.2	76.8	101.0	94.4	104.9	158.6	80.4	63.2	130.3	1,132.6
1972[1]	86.9	80.8	75.4	105.4	107.9	106.4	106.8	164.6	163.8	145.1	119.0	93.4	1,355.5
1973	106.2	98.4	88.3	97.9	113.0	91.5							

[1] Rejections for calendar year 1969 equaled 13.5 million pounds, 17.4 million pounds for 1970, 21.0 million pounds for 1971, and 17.8 for 1972.

Table 5.—U.S. meat imports and exports and percentage comparisons (carcass weight), 1972 and 1973

Months	Beef and veal			Lamb and mutton[1]			Pork			Total meat		
	1972	1973	Change	1972	1973	Change	1972	1973	Change	1972	1973	Change
	Mil. lb.	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*
IMPORTS												
January	143	167	+16	3	4	+33	63	44	-30	209	215	+3
February	130	148	+14	5	7	+52	45	39	-13	179	194	+8
March	120	128	+7	6	8	+34	50	37	-25	176	173	-1
April	144	141	-2	27	5	-81	44	48	+9	215	194	-10
May	152	163	+7	27	7	-73	36	48	+32	215	218	+1
June	157	139	-12	14	3	-75	31	45	+43	202	187	-7
July	162			16			41			219		
August	229			24			37			290		
September	230			15			31			276		
October	214			5			45			264		
November	177			3			46			226		
December	138			3			40			181		
Total	1,996			148			509			2,653		
EXPORTS												
January	4.03	6.50	+61	0.22	0.20	-10	3.28	6.10	+86	7.53	12.80	+70
February	3.89	5.04	+30	.11	.20	+73	3.53	12.14	+244	7.53	17.38	+131
March	4.93	6.83	+37	.16	.25	+61	4.29	33.55	+681	9.38	40.63	+333
April	5.45	6.37	+40	.10	.22	+146	10.43	31.15	+199	15.98	37.74	+136
May	5.70	7.99	+69	.23	.17	-23	19.40	29.72	+53	25.33	37.88	+50
June	5.04	8.51		.12	.16	+35	13.73	14.54	+6	18.89	23.21	+23
July	4.78			.19			6.48			11.45		
August	4.48			.21			5.39			10.08		
September	4.73			.11			8.32			13.16		
October	5.01			.22			17.58			22.81		
November	7.45			.20			7.18			14.83		
December	6.57			.15			6.81			13.53		
Total	62.06			2.02			106.42			170.50		

[1] Includes goat meat.

Table 6.—Canned Meat: Supply and distribution, 1960 to date

Year	Federally inspected production[1]	Imports: Canned beef[2]	Imports: Canned pork[3]	Beginning stocks[4]	Commercial exports and shipments[5]	Ending stocks[4]	Domestic disappearance: Military[6]	Domestic disappearance: Civilian[7,9]	Domestic disappearance: Per[8,9] capita
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
1960	1,754	77	127	53	23	57	11	1,920	10.8
1961	1,896	95	125	57	21	56	21	2,075	11.5
1962	1,980	84	158	56	17	59	27	2,175	11.8
1963	2,058	112	151	59	18	70	92	2,200	11.8
1964	2,217	79	146	70	20	76	89	2,327	12.3
1965	2,104	91	178	76	44	51	159	2,195	11.5
1966	2,254	90	233	51	44	53	136	2,395	12.4
1967	2,299	98	252	53	45	57	135	2,395	12.6
1968	2,420	118	268	57	51	51	185	2,465	13.1
1969	2,605	117	264	51	45	47	115	2,830	14.3
1970	2,577	119	285	47	27	57	92	2,852	14.1
1971	2,752	91	288	57	24	72	123	2,969	14.5
1972	2,576	100	305	72	54	61	65	2,729	13.2

[1] Beef, pork sausage, all other, excluding soup. Data from Meat Inspection Division, APHIS. [2] Data from Bureau of the Census. [3] Federally inspected for entry. Data from meat inspection Division, APHIS. Beginning in 1967 data from Bureau of the Census. [4] Refrigerated stocks only. [5] Includes shipments to territories. Data from Bureau of the Census. [6] From Statistical Yearbook of the Quartermaster Crops and other military records. [7] Caluclated from federally inspected supplies and distribution as shown. Federally inspected production is the largest part of total U.S. production of canned meat. [8] Civilian per capita. [9] Includes canned meat bought by the Department of Agriculture for school lunches and eligible institutions.

Table 7.— Edible offals: Supply and distribution, 1960 to date

Year	Supply: Total production[1]	Supply: Beginning commercial stocks[2]	Supply: Imports	Supply: Total	Distribution: Ending commercial stocks[2]	Distribution: Commercial exports[3]	Domestic disappearance: Military	Domestic disappearance: Civilian	Domestic disappearance: Per capita[4]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
1960	1,924	---	2	1,926	---	118	([5])	1,808	10.1
1961	1,945	---	2	1,947	---	123	([5])	1,824	10.1
1962	1,969	---	3	1,972	---	124	([5])	1,848	10.1
1963	2,074	---	3	2,077	---	158	([5])	1,919	10.3
1964	2,219	---	1	2,220	---	229	([5])	1,991	10.5
1965	2,143	---	2	2,145	---	226	([5])	1,919	10.0
1966	2,212	---	3	2,215	---	219	([5])	1,996	10.3
1967	2,315	---	4	2,319	---	226	([5])	2,093	10.7
1968	2,383	---	4	2,387	---	232	([5])	2,155	10.9
1969	2,385	---	6	2,391	---	247	([5])	2,144	10.8
1970	2,444	---	10	2,454	---	250	([5])	2,204	10.9
1971	2,545	---	7	2,552	---	289	([5])	2,263	11.1
1972	2,491	---	8	2,499	---	292	([5])	2,207	10.7

[1] Production of offals based on percentage of carcass-weight meat production, including farm: beef 6.7, veal 10.7 lamb and mutton 5.1, pork excluding lard 6.7 percent. [2] Not reported. Assumed no change in stocks during the year. [3] Beginning 1965 includes shipments to territories. [4] Civilian per capita. [5] Less than 500,000 pounds.

Table 8.—Cash receipts from farm marketings and Government payments, with percentages distribution, 48 States, averages 1935-64, 50 States, annual 1965-72

Year	Total cash receipts and Government payments	Livestock and Livestock Products							All crops	Government payments
		Total[1]	Meat animals				Dairy products	Poultry and eggs[2]		
			Total	Cattle and calves	Hogs	Sheep and lambs				
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
Average:										
1935-39 .	8,473	4,577	2,197	1,174	856	167	1,409	811	3,417	479
1940-44 .	15,711	8,658	4,386	2,102	2,013	271	2,290	1,748	6,385	668
1945-49 .	27,282	14,971	7,983	4,436	3,178	369	3,776	2,954	11,857	454
1950-54 .	31,299	17,441	9,649	5,771	3,501	377	4,216	3,278	13,595	263
1955-59 .	32,029	17,559	9,582	6,339	2,909	334	4,498	3,178	13,756	714
1960-64 .	37,427	19,614	11,158	7,797	3,043	318	4,869	3,275	16,260	1,554
1965 ..	41,813	21,958	12,964	8,942	3,693	329	5,037	3,581	17,392	2,463
1966 ..	46,571	24,921	14,859	10,432	4,093	334	5,532	4,148	18,373	3,277
1967 ..	45,772	24,259	14,533	10,478	3,755	300	5,742	3,640	18,434	3,079
1968 ..	47,579	25,497	15,375	11,241	3,819	315	5,955	3,828	18,620	3,462
1969 ..	51,937	28,602	17,644	12,567	4,744	333	6,206	4,436	19,541	3,794
1970 ..	54,172	29,543	18,475	13,633	4,508	334	6,525	4,250	20,912	3,717
1971 ..	55,950	30,560	19,524	15,043	4,162	319	6,811	3,958	22,245	3,145
1972 ..	64,632	35,596	23,955	18,198	5,405	352	7,157	4,165	25,075	3,961
	Percentage of total									
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Average:										
1935-39 .	100.0	54.0	25.9	13.8	10.1	2.0	16.6	9.6	40.3	5.7
1940-44 .	100.0	55.1	27.9	13.4	12.8	1.7	14.6	11.1	40.6	4.3
1945-49 .	100.0	54.9	29.3	16.3	11.6	1.4	13.8	10.8	43.4	1.7
1950-54 .	100.0	55.7	30.8	18.4	11.2	1.2	13.5	10.5	43.4	.8
1955-59 .	100.0	54.8	29.9	19.8	9.1	1.0	14.0	9.9	42.9	2.2
1960-64 .	100.0	52.4	29.8	20.8	8.1	.8	13.0	8.8	43.4	4.2
1965 ..	100.0	52.5	31.0	21.4	8.8	.8	12.0	8.6	41.6	5.9
1966 ..	100.0	53.5	31.9	22.4	8.8	.7	11.9	8.9	39.5	7.0
1967 ..	100.0	53.0	31.8	22.9	8.2	.7	12.5	8.0	40.3	6.7
1968 ..	100.0	53.6	32.3	23.6	8.0	.7	12.5	8.0	39.1	7.3
1969 ..	100.0	55.1	34.0	24.2	9.1	.6	11.9	8.5	37.6	7.3
1970 ..	100.0	54.5	34.1	25.2	8.3	.6	12.0	7.8	38.6	6.9
1971 ..	100.0	54.6	34.9	26.9	7.4	.6	12.2	7.1	39.8	5.6
1972 ..	100.0	55.1	37.1	28.2	8.4	.5	11.1	6.4	38.8	6.1

[1] Includes wool, horses, mules, mohair, honey, beeswax, bees, goats, rabbits, and fur animals. [2] Includes ducks, geese, guineas, pigeons, quail, pheasants and turkey hatching eggs.

Supply and distribution of commercially produced meat, by month, carcass weight, January 1973 to date

Meat and period	Supply			Distribution				
	Production[1]	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption: Total	Civilian consumption: Per person[2]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
Beef:								
January	1,942	367	162	10	380	27	2,054	9.9
February	1,672	380	145	9	368	20	1,800	8.7
March	1,772	368	126	12	357	23	1,874	9.1
1st quarter	5,386	367	433	31	357	70	5,728	27.7
April	1,480	357	139	11	360	18	1,587	7.7
May	1,823	360	161	13	338	19	1,974	9.5
June	1,738	338	138		324	23		
2nd quarter	5,041	357	438		324	60		
Veal:								
January	36	13	4	1	15	1	36	0.2
February	29	15	4	1	15	(3)	32	.1
March	31	15	2	(3)	12	1	35	.2
1st quarter	96	13	10	2	12	2	103	.5
April	24	12	2	1	13	1	23	.1
May	27	13	2	1	12	(3)	29	.1
June	25	12	1		11	2		
2nd quarter	76	12	5		11	3		
Lamb and mutton:								
January	46	16	4	1	13	(3)	52	0.3
February	39	13	7	1	11	(3)	47	.2
March	40	11	8	(3)	11	1	47	.2
1st quarter	125	16	19	2	11	1	146	.7
April	39	11	5	1	13	(3)	41	.2
May	48	13	7	(3)	15	(3)	53	.3
June	39	15	3		15	1		
			15					
2nd quarter	126	11			15	1		
Pork:								
January	1,149	214	44	14	207	11	1,175	5.7
February	980	207	39	19	190	9	1,008	4.9
March	1,133	190	37	42	242	7	1,069	5.2
1st quarter	3,262	214	120	75	242	27	3,252	15.8
April	1,033	242	48	42	248	8	1,025	5.0
May	1,150	248	48	39	259	8	1,132	5.5
June	994	259	45		254	9		
2nd quarter	3,177	247			254	25		
All meat:								
January	3,173	610	214	26	615	39	3,317	16.1
February	2,720	615	195	30	584	29	2,887	13.9
March	2,976	584	173	54	622	32	3,025	14.7
1st quarter	8,869	610	582	110	622	100	9,229	44.7
April	2,576	622	194	55	634	27	2,676	13.0
May	3,048	634	218	53	624	27	3,188	15.4
June	2,796	624	187		604	45		
2nd quarter	8,420	622	599		604	99		

[1] Excludes production from farm slaughter. [2] Derived from estimates by months of population eating out of civilian food supplies. [3] Less than 50,000 pounds.

Selected price statistics for meat animals and meat

Item	1972 May	1972 June	1973 Apr.	1973 May	1973 June
	Dollars per 100 pounds				
CATTLE AND CALVES					
Beef steers, slaughter, Omaha					
Prime	36.32	38.73	46.20	46.82	47.80
Choice	35.66	37.88	44.97	46.05	46.98
Good	34.13	36.06	43.15	44.41	45.30
Standard	31.34	32.06	40.61	41.56	42.04
Utility	30.30	30.48	38.89	40.02	40.00
All grades	35.30	37.48	44.61	45.83	46.66
Choice 900-1100 pounds, California	36.50	37.53	44.47	45.75	46.06
Choice 900-1100 pounds, Colorado	36.17	37.86	45.06	45.84	47.11
Cows, Omaha					
Commercial	25.24	25.54	33.72	34.47	33.46
Utility	25.51	26.00	33.59	34.26	33.09
Cutter	24.16	24.50	31.72	32.45	31.50
Canner	22.85	23.16	30.06	30.26	29.82
Vealers, Choice, S. St. Paul	56.10	56.62	59.75	64.50	66.05
Stocker and feeder steers, Kansas City[1]	37.72	38.37	50.67	50.79	49.38
Price received by farmers					
Beef cattle	33.30	34.50	42.40	43.50	43.80
Cows	24.60	24.90	32.70	33.30	32.90
Steers and heifers	35.10	36.60	44.70	45.60	46.20
Calves	42.90	44.00	56.20	58.70	58.70
Beef steer-corn price ratio[2]	27.8	30.5	29.5	24.9	20.7
HOGS					
Barrows and gilts, U.S. No. 1 and 2, Omaha					
180-200 pounds	26.94	---	---	---	---
200-220 pounds	26.46	28.05	36.48	37.14	39.41
220-240 pounds	26.24	27.86	36.37	37.07	39.35
Barrows and gilts, 7 markets[3]	25.32	26.74	35.56	35.89	38.55
Sows, 7 markets[3]	22.12	22.42	32.33	32.46	33.87
Price received by farmers	24.90	25.60	35.10	35.20	37.20
Hog-corn price ratio[4]					
Omaha, barrows and gilts	19.7	21.5	23.4	19.5	17.0
Price received by farmers, all hogs	21.7	22.7	24.7	21.9	18.7
SHEEP AND LAMBS					
Sheep					
Slaughter ewes, Good, San Angelo	8.15	8.88	17.44	12.90	14.44
Price received by farmers	7.08	6.92	11.10	10.50	11.20
Lamb					
Slaughter, Choice, San Angelo	33.75	32.88	39.50	36.70	38.46
Feeder, Choice, San Angelo	32.55	29.81	40.75	36.05	35.31
Price received by farmers	30.40	30.70	35.40	33.80	36.20
ALL MEAT ANIMALS					
Index number price received by farmers (1967=100)	145	149	190	193	198
	Dollars per 100 pounds				
MEAT					
Wholesale, Chicago, Carlot					
Steer beef carcass, Choice, 600-700 pounds	56.45	59.36	69.84	69.15	70.92
Heifer beef, Choice, 500-600 pounds	55.38	57.76	68.90	68.48	69.75
Cow beef, Canner and Cutter	52.55	52.69	66.88	66.23	64.94
Lamb carcass, Choice and Prime, 45-55 pounds	68.79	68.72	72.40	70.03	75.16
Fresh pork loins, 8-14 pounds	56.69	65.20	67.69	69.17	71.10
	Cents per pound				
Retail, United States average					
Beef, Choice grade	111.4	113.5	136.0	136.0	135.5
Pork, retail cuts and sausage	79.4	82.0	102.7	102.4	104.1
Lamb, Choice grade	115.2	118.4	139.0	138.9	138.1
Index number all meats (BLS)					
Wholesale (1967=100)	125.9	131.1	158.7	158.4	161.9
Retail (1967=100)	125.6	127.5	156.1	155.9	156.7
Beef and veal	134.1	135.8	162.9	162.7	163.5
Pork	115.4	118.0	150.7	150.0	151.4

[1] Average all weights and grades. [2] Bushels of No. 2 Yellow Corn equivalent in value to 100 pounds of slaughter steers sold out of first hands, Omaha, all grades. [3] St. Louis N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. [4] Number bushels of corn equivalent in value to 100 pounds of live hogs.

Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1972		1973		
		May	June	April	May	June
Meat animal marketings						
Index number (1967-100)		118	112	89	105	99
7-State Cattle on Feed Report						
Number on feed	1,000 head	8,880	9,075	9,637	9,381	9,455
Placed on feed	1,000 head	1,953	1,721	1,184	1,779	1,592
Marketings	1,000 head	1,758	1,679	1,440	1,705	1,556
Slaughter under Federal inspection						
Number slaughtered						
Cattle	1,000 head	2,807	2,833	2,167	2,692	2,560
Steers	1,000 head	1,614	1,561	1,258	1,533	1,411
Heifers	1,000 head	696	742	483	635	647
Cows	1,000 head	446	474	385	470	447
Bulls and stags	1,000 head	51	56	41	54	55
Calves	1,000 head	179	166	139	131	117
Sheep and lambs	1,000 head	803	807	690	858	727
Hogs	1,000 head	6,793	6,313	5,992	6,637	5,711
Percentage sows	Percent	5	7	5	5	6
Average live weight per head						
Cattle	Pounds	1,043	1,029	1,041	1,041	1,047
Calves	Pounds	223	234	201	235	231
Sheep and lambs	Pounds	107	102	110	111	106
Hogs	Pounds	242	245	239	243	245
Average production						
Beef, per head	Pounds	629	616	624	625	630
Veal, per head	Pounds	126	131	114	133	133
Lamb and mutton, per head	Pounds	53	50	55	55	52
Pork, per head	Pounds	159	161	163	163	165
Pork, per 100 pounds live weight	Pounds	66	66	68	67	67
Lard, per head	Pounds	20	21	16	19	18
Lard, per 100 pounds live weight	Pounds	8	8	7	8	8
Total production						
Beef	Mil. lb.	1,760	1,741	1,348	1,678	1,608
Veal	Mil. lb.	22	22	16	17	16
Lamb and mutton	Mil. lb.	42	40	38	47	38
Pork	Mil. lb.	1,080	1,012	976	1,079	1,086
Lard	Mil. lb.	139	131	95	122	105
Commercial slaughter[1]						
Numbered slaughtered						
Cattle	1,000 head	3,118	3,142	2,403	2,948	2,790
Calves	1,000 head	236	224	171	168	151
Sheep and lambs	1,000 head	836	842	732	885	752
Hogs	1,000 head	7,324	6,809	6,357	7,039	6,066
Total production						
Beef	Mil. lb.	1,936	1,913	1,480	1,823	1,738
Veal	Mil. lb.	35	35	24	27	25
Lamb and mutton	Mil. lb.	44	42	39	48	39
Pork	Mil. lb.	1,160	1,087	1,033	1,150	994
Lard	Mil. lb.	146	137	100	120	110
Cold storage stocks first of month						
Beef	Mil. lb.	283	277	357	360	338
Veal	Mil. lb.	9	9	12	13	12
Lamb and mutton	Mil. lb.	15	20	11	13	15
Pork	Mil. lb.	396	381	242	248	259
Total meat and meat products[2]	Mil. lb.	819	798	687	706	700

[1] Federally inspecred and other commercial. [2] Includes stocks of canned meats in coller in addition to the meats listed.

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